



# Congressman Tim Bishop

*FIRST DISTRICT -- NEW YORK*

## NEWS RELEASE

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### **BISHOP SUPPORTS MARRIAGE PENALTY RELIEF**

*Urges Colleagues to Protect Marriage Penalty Relief from Alternative Minimum Tax*

**Washington, DC**—Congressman Tim Bishop today voted for a bipartisan bill to permanently repeal the marriage penalty. Bishop voted for HR 4181, which provides permanent marriage penalty relief. The bill passed the House of Representatives today by a vote of 323-95.

While Bishop voted for the bill, he criticized his colleagues for failing to account for the increasing burden of the Alternative Minimum Tax (AMT). The Long Island Association has declared the AMT to be the top threat to Long Island's taxpayers. The AMT was originally designed to make sure the wealthy didn't avoid taxes, but because it is not adjusted for inflation, it is affecting more middle-class couples and taking away deductions that help families, such as marriage penalty relief and child tax credits.

"I believe strongly in providing as much permanent marriage penalty relief as possible, because the marriage penalty is an unfair tax," Bishop said. "But for increasing numbers of families, April 15 is becoming April Fool's Day thanks to the Alternative Minimum Tax. Unfortunately, more families are finding out that the joke is on them when they realize they will not receive many promised tax cuts."

The bill provides marriage penalty relief by adjusting the 15 percent bracket to twice that of singles and by doubling the standard deduction for married couples, which is phased-in over five years beginning in 2005.

But, because the AMT cracks down on various deductions, it affects families who need tax relief the most. It is projected that 65 percent of married couples with two or more children and an adjusted income of \$75,000-\$100,000 will be affected by the AMT by 2005. In fact, a recent study by the non-partisan Brookings Institution found that married couples are 25 to 30 times more likely than singles to pay the AMT.

"The Alternative Minimum Tax is creating a new marriage penalty," Bishop said. "While I am glad to vote for marriage penalty relief, I am concerned for millions of families who will soon pay this new tax."

The AMT hits Long Islanders especially hard, as state and local income taxes, property taxes, and other personal deductions are added back in for the purpose of calculating the AMT. Because of these types of deductions, Long Island pays the AMT more than any other region of the country.

Bishop also noted that an alternative that he supported would have ensured marriage penalty relief would be fully paid for through a small surtax on the most affluent 0.2 percent of households in America – for couples the surtax only applies to those with annual incomes over \$1 million. This would have ensured the bill did not increase the deficit.

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